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July 26, 2013

Via Courier

Mr. Alan Stewart/Mr. Gary Timm
Deloitte
33 Yonge Street, Suite 210
Toronto, ON M5E 1G4

Gentlemen:

**Re: Senator Pamela Wallin
Re: Outlook Calendar**

During our meeting yesterday, you raised the issue of how and why the Outlook calendars in Senator Wallin's office came to be changed. While we provided you with an explanation at that time, we have taken you up on your invitation to send a written response.

When the investigation of Senator Wallin's expenses first began, she was asked to and did supply certain information which included information from her Outlook calendar. The information supplied contained not only Senate related business but other matters as well in the interests of giving Deloitte and the Senate Committee a full picture of the extent of Senator Wallin's activities.

Following the delivery of the first preliminary report to the Senate Subcommittee, a copy of which we have as we showed to you yesterday, the Senator was visited by David Tkachuk, then Chair of the Committee. Senator Tkachuk, on a confidential basis gave Senator Wallin, the preliminary report which described the concerns that had been expressed by Deloitte regarding the material supplied so far (the 17 items). He expressed his view that he would have allowed all the claims (with the possible exception of 1 or 2) but that he had been "voted down" by Senator Stewart-Olsen and the Liberal member of the committee. He also opined that one of the reasons the process was taking so long was that Senator Wallin was supplying too much information and since the investigation was concerned only about the appropriateness of the expenses claimed from the Senate by Senator Wallin that further submissions should be restricted to that information which was tied to specific travel claims. It was at that time that Senator Wallin was advised that the investigation would not be ending with its original mandate but that Deloitte's mandate had been expanded. Senator Wallin was then asked for further information and taking what seemed to be perfectly logical advice from Senator Tkachuk to heart, the decision was made to create spreadsheet calendars for Deloitte which contained as

much information on Senate related activities as possible but which did not contain information regarding events unrelated to the Senate including personal matters.

You also need to know that once we were provided with the document of the 17 "questionable" items that we were understandably guided by the nature of what we were told and understood from that document to be the queries and comments of Deloitte and also what we were told by Senator Tkachuk were comments by other Committee members as to what was acceptable. For that reason, the Senator and her staff changed their approach to the preparation of the documents which accounts for the "uptick" and changes to the Outlook calendar which was treated by the Senator as a working document for the preparation of the spreadsheets and calendars that were sent to you.

The decision to exclude this type of information was based not only on Senator Tkachuk's advice but also out of a desire by Senator Wallin to protect the legitimate expectations of privacy of those with whom she dealt in a non-senate capacity. Even to that point in time there had been considerable leaks of information supplied by Senator Wallin to the Committee or the Finance Department for use by it or by Deloitte and she as well as the boards and the University were being hounded by the media as a result. That concern has been borne out by the continuation of those leaks. Virtually nothing has happened on this file involving communications from Senator Wallin or Deloitte to the Committee which has not in some form or another found its way into the media. For another purpose, we had prepared a schedule of some of the leaks (there are more - this is for demonstration purposes only) which includes, amazingly enough, the fact that certain news organizations including Post Media had a copy of a letter which your firm sent to the Committee from your office (see item #14 in the Schedule) and we include a copy of that Schedule with this letter.

At the time that your mandate was expanded, the Senator understood that she was under a very aggressive timeline to get the material to you. For that reason, she and Renee Montpelier, her Executive Assistant, worked around the clock to create the spreadsheets which you now have. In so doing, recourse was had to anything that might supply additional information regarding Senate events. These included emails, notes and entries in her day timers and phone calls to associates for the period of time in question. In more recent years, there was more reliable information available. In earlier years, where it was not the practice in the Senator's office to create event files where everything about a particular event was kept in a single place, the task of reconstruction was more difficult. When consulting these other sources, it was discovered that on occasion there were events which appeared in the Outlook calendar which the Senator had not attended and they were deleted. It also appeared that there events that she attended that were not in the Outlook calendar and so they were added. This is in addition to the deletions for the reasons which we have earlier described.

Where there were Senate and non-Senate related business in a location on the same day (e.g. a board meeting and a Senate related speech), the Senator on some occasions charged to those trips to the Senate and on other occasions to the third party. It is important to note, however, that in no case was the Senator seeking personal gain. As you know, for board meetings for Gluskin Sheff, Porter Airlines and so on her travel expenses were reimbursed by those entities when claimed from them. Certain mistakes were made in the processing of those claims and some of them were inadvertently charged to the Senate but this was not of any financial advantage to the Senator who would have had those expenses paid by those companies

upon request. There was a similar practice available for the University of Guelph when she was involved with that organization. Senator Wallin tried to maintain a balance between what she charged to the individual organizations and what she charged to the Senate based on her sense of what was appropriate in a given situation but in no case was she seeking reimbursement from the Senate for expenses which she otherwise had to pay personally unless a mistake was made.

In putting all of this together in a hurry, mistakes were made and those are admitted. There are expenses which were claimed from the Senate which should not have been and where those have been identified money has already been paid back, i.e. approximately \$38,000. Virtually all of this money falls into the categories described above.

As we said we would, we enclose six volumes of day timers covering the period of time from 2009 through 2012, which we had couriered from Wadena. These are Senator Wallin's personal day timers and indicate not only the intense level of her activities but the fact that she had multiple appointments and events scheduled for the same day not all of which she could have or did keep. Some of them while they may look like appointments are reminder notes only. While there were certain references to "fundraising events" in the Outlook calendar, those notations do not appear in her day timer and because they were outside the election period and involved speaking on Senate related matters at political gatherings (even if there was a collateral purpose of raising funds for a candidate or would-be candidate) this was a generally accepted practice. The January 29, 2011, event involving Gary Breikritz is an example of that, as is the May 27th event for Bev Oda and the September 16, 2010, "Ontario Riding" event. At the Bev Oda event, she spoke on, inter alia, the Afghan file and of Ms Oda's role and accomplishments as the Minister responsible for CIDA Afghanistan.

With respect to the ICD dinner, you will note in Senator Wallin's day timer that there is a dinner on June 4, 2009, which has the notation "speaking?". The Senator acknowledged (when you brought it to her attention) that she spoke at the 2008 dinner and not at the 2009 dinner but believes she may have attended the 2009 dinner late in the evening on which it was held but not as a speaker. We are trying to contact Ms Bev Topping to confirm this but have thus far been unable to reach her. The day timer entry is what triggers the original inclusions.

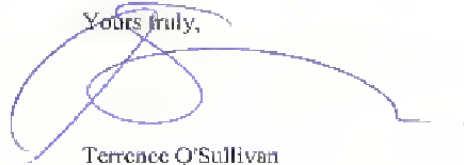
Other examples abound. On June 8, 2009, the BMO meeting was deleted because she believes she attended by phone. The June 10, 2009, reference to "Shelley Ambrose" is in fact a dinner that was held in honour of Roz Ivy, a noted business person and philanthropist. The August 19, 2009, notation involving "Inta" is Inta Erwin, who was the Head of Breakout Education Network regarding the re-establishment of the COTC (military) training program which has now been re-established in part because of the Senator's involvement. Similarly, on September 15-16, 2009, there is reference to the Chancellor's Dinner in Toronto. To that date was added a separate meeting with the Honourable David Petersen to discuss matters of interest to the Senate. On September 11, 2009, the TIFF event was deleted because she did not attend. A similar entry was deleted on September 12, 2009, for the same reason and on October 6, 2009, the Guelph board dinner was removed because she did not attend that either.

I could go on and on but in the interests of getting this material to you as quickly as I can I have not done so. If there are questions that you wish us to answer about any specific

additions or deletions to the Outlook calendar we would be pleased to answer those specific questions at your convenience.

I hope you find the foregoing of assistance and we look forward to continuing our dialogue with you on these points.

Yours truly,

A handwritten signature in blue ink, appearing to read "Terrence O'Sullivan", with a large, stylized loop at the end.

Terrence O'Sullivan

THE SENATE OF CANADA



LE SÉNAT DU CANADA

SÉNATEUR DAVID TKACHUK

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August 6, 2013

Mr. Gary Timm, Partner
Deloitte
800-100 Queen Street
Ottawa, ON K1P 5T8

Dear Mr. Timm,

I never gave Senator Wallin Deloitte's preliminary report concerning her situation for the simple reason that there was no preliminary report to give her. The auditors presented their preliminary findings orally to the Subcommittee on April 16th. Deloitte did provide us with a list of 17 claims for which they sought direction and with the full and unanimous agreement of the Steering Committee I presented these to Senator Wallin for explanation.

I never told Senator Wallin, however, that I would have allowed all the claims with the exception of one or two. Following the meeting she refers to, Steering met again on April 18, 2013 to consider the claims with the input provided from Senator Wallin. I did disagree with the other Senators over some of the claims but in the end we agreed unanimously on the ones that should be allowed, the ones that should be denied, and the ones that warranted further consideration.

Regarding Senator Wallin's claim that I said she was providing too much information to the auditors, I want to make it clear that I was referring only to the information in her calendar. In that regard I was of the opinion that, in the interest of efficiency, she should restrict herself to the information that the auditors asked for and that they needed to conduct their investigation.

Sincerely yours,

A handwritten signature in black ink, appearing to read "David Tkachuk".

Senator David Tkachuk